

Assembly Bill No. 1778

CHAPTER 187

An act to amend Section 90404 of, to amend and repeal Section 41205 of, and to repeal Section 89911 of, the Education Code, and to amend Section 8880.5 of the Government Code, relating to the California State University.

[Approved by Governor August 3, 2003. Filed with
Secretary of State August 4, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1778, Committee on Higher Education. California State University.

(1) Existing law establishes the California State University and its various campuses under the administration of the Trustees of the California State University. Under existing law, the trustees are authorized to enter into agreements with any public or private agency, officer, or institution for the performance of acts or for the furnishing of services, facilities, materials, or equipment, as prescribed. Existing law also authorizes the trustees to establish auxiliary organizations for various purposes relating to the operations of the university.

This bill would delete a provision that provides that an obligation of an auxiliary organization that is authorized by the trustees is an obligation of the State of California.

(2) Existing law authorizes the university to operate 25 institutions for higher education, including the California Polytechnic State University, San Luis Obispo, and the California State Polytechnic University, Pomona. A provision of existing law authorizes these campuses to emphasize the applied fields of agriculture, engineering, business, home economics, and other occupational and professional fields.

This bill would revise an obsolete cross-reference in this provision.

(3) Existing law, known as the California State Lottery Act of 1984, establishes a state lottery that, among other things, provides funds to benefit public education. As an initiative measure, the act requires that none of its provisions may be changed except to further its purposes by a $\frac{2}{3}$ vote of both houses of the Legislature.

An existing provision of the act requires the Controller to make quarterly payments from the California State Lottery Education Fund to various public education entities, including the Trustees of the California State University and the California Maritime Academy Board

of Governors. Existing law specifies that the California Maritime Academy is a specialized institution that is part of the California State University.

This bill would delete the requirement that a separate payment be made to the California Maritime Academy Board of Governors. The bill would declare that this deletion furthers the purposes of the act. The bill would also make various technical and conforming changes relating to this deletion.

The people of the State of California do enact as follows:

SECTION 1. Section 41205 of the Education Code, as added by Chapter 82 of the Statutes of 1989, is repealed.

SEC. 2. Section 41205 of the Education Code, as amended by Chapter 153 of the Statutes of 1994, is amended to read:

41205. The Legislature hereby finds and declares that the only state agencies that provide direct elementary and secondary level instructional services within the meaning of Section 41302.5 are those state agencies enumerated in Section 8880.5 of the Government Code, or in any successor to that section, not including any agency enumerated in any of subdivisions (a) to (e), inclusive, of that section, and California Indian education centers as established pursuant to Article 6 (commencing with Section 33380) of Chapter 3 of Part 20. The amount of any appropriation made to a state agency for direct elementary and secondary level instruction services shall be determined by applying the definition of those services, as defined in the California School Accounting Manual, to the expenditures of the agency. However, for the Diagnostic Schools for Neurologically Handicapped Children, as established pursuant to Article 1 (commencing with Section 59200) of Chapter 3 of Part 32, all expenditures of the agency shall be considered appropriations made to a state agency for direct elementary and secondary level instruction.

SEC. 3. Section 89911 of the Education Code is repealed.

SEC. 4. Section 90404 of the Education Code is amended to read:

90404. In addition to the functions set forth in subdivision (b) of Section 66010.4, the California State Polytechnic University and the California Polytechnic State University shall be authorized to emphasize the applied fields of agriculture, engineering, business, home economics and other occupational and professional fields. This article shall be liberally construed.

SEC. 5. Section 8880.5 of the Government Code is amended to read:
8880.5. Allocations for education:



The California State Lottery Education Fund is created within the State Treasury, and is continuously appropriated for carrying out the purposes of this chapter. The Controller shall draw warrants on this fund and distribute them quarterly in the following manner, provided that the payments specified in subdivisions (a) to (g), inclusive, shall be equal per capita amounts.

(a) Payments shall be made directly to public school districts, including county superintendents of schools, serving kindergarten and grades 1 to 12, inclusive, or any part thereof, on the basis of an equal amount for each unit of average daily attendance, as defined by law and adjusted pursuant to subdivision (l).

(b) Payments shall also be made directly to public school districts serving community colleges, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(c) Payments shall also be made directly to the Board of Trustees of the California State University on the basis of an amount for each unit of equivalent full-time enrollment. Funds received by the trustees shall be deposited in and expended from the California State University Lottery Education Fund, which is hereby created or, at the discretion of the trustees, deposited in local trust accounts in accordance with subdivision (j) of Section 89721 of the Education Code.

(d) Payments shall also be made directly to the Regents of the University of California on the basis of an amount for each unit of equivalent full-time enrollment.

(e) Payments shall also be made directly to the Board of Directors of the Hastings College of the Law on the basis of an amount for each unit of equivalent full-time enrollment.

(f) Payments shall also be made directly to the Department of the Youth Authority for educational programs serving kindergarten and grades 1 to 12, inclusive, or any part thereof, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(g) Payments shall also be made directly to the two California Schools for the Deaf, the California School for the Blind, and the three Diagnostic Schools for Neurologically Handicapped Children, on the basis of an amount for each unit of equivalent full-time enrollment.

(h) Payments shall also be made directly to the State Department of Developmental Services and the State Department of Mental Health for clients with developmental or mental disabilities who are enrolled in state hospital education programs, including developmental centers, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(i) No Budget Act or other statutory provision shall direct that payments for public education made pursuant to this chapter be used for



purposes and programs (including workload adjustments and maintenance of the level of service) authorized by Chapters 498, 565, and 1302 of the Statutes of 1983, Chapter 97 or 258 of the Statutes of 1984, or Chapter 1 of the Statutes of the 1983–84 Second Extraordinary Session.

(j) School districts and other agencies receiving funds distributed pursuant to this chapter may at their option utilize funds allocated by this chapter to provide additional funds for those purposes and programs prescribed by subdivision (i) for the purpose of enrichment or expansion.

(k) As a condition of receiving any moneys pursuant to subdivision (a) or (b), each district and county superintendent of schools shall establish a separate account for the receipt and expenditure of those moneys, which account shall be clearly identified as a lottery education account.

(l) Commencing with the 1998–99 fiscal year, and each year thereafter, for the purposes of subdivision (a), average daily attendance shall be increased by the statewide average rate of excused absences for the 1996–97 fiscal year as determined pursuant to the provisions of Chapter 855 of the Statutes of 1997. The statewide average excused absence rate, and the corresponding adjustment factor required for the operation of this subdivision, shall be certified to the State Controller by the Superintendent of Public Instruction.

(m) It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for the education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other noninstructional purpose.

SEC. 6. The Legislature finds and declares that Section 5 of this act furthers the purposes of the California State Lottery Act of 1984.

